

Farm & Property



Adding Value to Property & Business

SUMMER 2004



The County Property Auction

Frustrated at seeing an increasing amount of East Midlands property auctioned in London, **JH Walter** established *The County Property Auction*, the first of which exceeded all expectations at the Lincoln Hotel (formerly the Eastgate) on 6 May 2004.

Many lots sold for significantly more than if sold by private treaty or tender as a result of transparent competition in an active market.

Promoted by national and local advertising and leading property auction website **EiGroup**, *The County Property Auction* is ideal for selling houses for renovation, barns for conversion, paddocks, ponds, building plots, development land, residential and commercial investments, and any other property attractive to a cash buyer.

The costs of sale are often lower than selling with an estate agent and proceeds will be in your bank 28 days after the auction. Your interests are protected by a reserve price. Contracts are prepared pre-sale and signed on the day of the auction. This avoids the pitfall of buyers withdrawing at the last moment, which all too frequently frustrates private treaty sales.

Please do not be nervous of buying at auction. Our staff will be pleased to explain the procedures and there is no buyer's premium. However, if you are still concerned, you can ask an agent to bid on your behalf.

Before you bid always:

- **Have your solicitor check the contract and searches. These are available for inspection well before the auction date.**
- **Have a survey undertaken if you are concerned about condition.**
- **Have funds available; 10% deposit for the auction day and the balance to complete 28 days later.**
- **Please remember that on the fall of the hammer, the property is yours!**

Our next property auction will be held on 15th July 2004, with another to follow in September.

If you are interested in *The County Property Auction* please contact us.

Tim Atkinson

Direct Dial 01522 504313

Susan Loftus

Direct Dial 01522 504318

The redundant church at Manton - one of the more unusual properties to be sold at the County Property Auction, 15 July 2004



DECOUPLE OR DIE!

What was first announced as a mid-term review of the Common Agricultural Policy has turned out, many months later, to be the most radical reform of agricultural policy since the 1947 Agriculture Act.

For the first time ever, support for the industry is to be entirely separate, or decoupled, from production. All previous subsidies are to be replaced by a Single Payment Scheme from January 2005. Whatever the amount of the Single Payment, farmers will not have to grow an acre of crop, or keep an animal, in order to receive it.

This means that in future farmers will need to produce for the market. This will take time to appreciate, particularly as for many the amount of the Single Payment will not be much different in the early years from previously received subsidies. And, as Angela Wood points out elsewhere in *Farm & Property* the Entry Level Scheme of Environmental Stewardship will be a means to top up the Single Payment.

The price of the Single Payment is cross-compliance. Whilst the rules for cross-compliance are still not clear, it seems that this will not be an easy option and will certainly bear some cost. What is clear is that government will be able to justify the Single Payment to the public at large by pointing to cross-compliance.

From 2005 onwards, farmers and their advisors will need to be objective and realistic in their forward plans and budgets; it would be lunacy to use the Single Payment to support loss-making production.

Decouple or die!

Please contact us to discuss the implications of these reforms for your business.

Henry Denchfield

Direct Dial 01522 504322

Planning Success

Over recent years, the importance and potential value of managing assets have grown significantly. Such potential may be by the conversion of barns to residential or business use, the sale of land for development, or change of use of agricultural buildings for business or industrial purposes.

The key to achieving this potential is successful planning.

Planning is frequently a lengthy process requiring early identification of potential.

Despite national support for the development of rural economies, obtaining local consents can sometimes be difficult if the planning process is handled incorrectly. Early consultation with planners and other relevant agencies can give us a lead as to how to approach the application. In addition, knowledge of comparable applications and appeal decisions, both locally and nationally, provides a more robust application.

So what are the rewards of "planning success"? The property market remains buoyant and demand for building plots and barns with consent for conversion, both to residential and business use, is strong. Such asset realisations can assist in helping businesses to restructure and manage their hardcore debt. Through diversification, new income streams can be generated, providing an alternative to full reliance on farming profitability.

Our planning department has been able to help many clients across the East Midlands to secure the valuable consent that allows richer rewards to be reaped. Where properties are sold, our agency team have maximised returns through private treaty, tender and now the *County Property Auction*.

Opportunities abound, but don't delay!

David Wright

Direct Dial 01522 504321

A FAIR TRADE WIND

A good selection of well-maintained machinery pulled in the crowds to G & E J Hinchleys' auction sale on 20 March 2004. Gale force winds threatened to spoil the day, but the auctioneer's voice could still be heard loud and clear through the loudspeaker system! Pre-sale expectations were comfortably exceeded, much to the delight of the Hinchleys'.



REDUCE FARM ELECTRICITY BILLS

with Mini Wind Turbines

Electricity has always been a great expense incurred in running any farm; so, is now the right time to produce your own?

I'm presently converting my farmyard buildings to commercial use and estimate this is going to double electricity usage on the farm.

This led me to consider ways of reducing my own electricity costs and also providing power for my tenants. As a result, I am currently looking at a small-scale wind turbine.

Harnessing wind energy to produce electricity is a proven technology. It will never completely replace your conventional supply, although it will offset your electricity bills, with any

spare electricity generated being directed to the national grid, for which you receive payment.

These turbines are not of the same scale as their big brothers and therefore have less of an impact on the countryside. However, they do require planning permission.

If you install a turbine solely for residential use you can obtain substantial grants up to 50%. For businesses the cost of construction can obviously be offset against taxes as

a written down allowance.

If small-scale wind turbines are of interest to you, contact:

Christopher Brown

01522 504307



MORE SUCCESSES WITH RES

JHW rural business consultants have recently been successful in obtaining Rural Enterprise Scheme grants for two more Lincolnshire farm businesses.

Seggimoor Water Reservoir

Edward Green and his brother Chris farm 326 acres at Glentham, in the north of the County.

Henry Denchfield assisted in their application for RES funding that will part finance the construction of an eight million gallons water storage reservoir, sufficient to supply the needs of approximately 60 acres of irrigated crops. Edward and Chris are pleased with the result, as the investment will benefit farm profitability through wider cropping opportunities and the substitution of cereal crops.

Syston Fruit Farm

Syston Fruit Farm, in the south, is about to build a substantial new Farm Shop – partly funded by a Rural Enterprise grant. Assisted in the bid by David Wright, Paul Clegg, owner of Syston, was delighted given the increasing competitiveness for RES grants.

Fruit and other fresh produce grown at Syston will be sold in the new farm shop and the Cleggs will be developing a wide range of quality foods alongside a coffee/tea room, where children can even make their own "smoothees" from fruit they have just picked! We wish Paul and his wife Trish every success!

If you have a project that you think may qualify for grant aid, then contact David Wright, John Holtby or me for an initial discussion about eligibility.

Henry Denchfield
Direct Dial 01522 504322

JHW ESTATE AGENCY

Individual Service for Unique Properties

The JHW estate agency is flourishing following the acquisition of the ground floor sales area at 1 Mint Lane in summer 2002.

We are now recognised as leading agents for the marketing of prestigious and unique homes.

A case in point is the fascinating Langford Old Hall, near Newark. This six-bedroom family home with 6 acres was quickly sold after 24 viewings in May.

Promotion was helped by a well-timed press release highlighting a rich history. Langford Old Hall was built in the 15th century as a Tudor hunting lodge and was later used as a hide-out for the notorious highwayman Swift Nick Nevison, following the kidnap of the local Sherriff. Much is written of Nick - an A-class celebrity of his day! His gang harried travellers on the Great North Road between Huntingdon and York.

Nick ended his days on the scaffold at Tyburn in 1684. His exploits make Dick Turpin's look dull - in fact the legendary 200 mile ride in a day from Kent to York was actually Swift Nick and not Turpin.



The successful sale of Langford Old Hall highlights the benefits of realistic pricing and the *Individual Service* which we offer.

Recent developments have included the appointments of Simon Smith, a highly experienced agent from Bath, as senior valuer and residential manager, together with Simon Hyham, a skilled negotiator. We have also installed leading agency software, with potential buyers being contacted by both e-mail and text messaging.

Our membership of *Right Move*, a major property website, in addition to our existing presence on *Prime Location*, ensures that properties listed with **JHW** cannot be better promoted on the web.

If you are considering selling, we will be delighted to provide a free marketing report accompanied by a competitive commission quote. This will include considering any development potential and how this may be unlocked.

For information about *Individual Service*, contact:

Tim Atkinson
Direct Dial 01522 504313

Entry Level Scheme

Get ready to apply now!

With all the uncertainty surrounding MTR, you may not have had time to get to grips with the new Entry Level Scheme (ELS) that commences in January 2005.

The ELS is the lower level of the Environmental Stewardship Scheme, which replaces the Countryside Stewardship Scheme. A successful ELS application recoups some of the modulation deductions from your Single Payment!

At the time of writing, the scheme rules are still being considered in Brussels. However, the basis for the scheme will be that of the pilot scheme that was launched in four areas in England in 2003. In the pilot, each applicant had to accumulate "qualification points" through a range of environmental management activities across their holding. The target level of points

per hectare was set at 30, for which a payment of £30 per hectare per year is to be paid. Each scheme runs for 5 years.

Entry is non-competitive as long as the points threshold has been met, but subject to financial limits. If the Scheme is over subscribed, it will be on a 'first come, first served basis'.

Clearly there is still uncertainty regarding the rules for cross-compliance, and, until these are confirmed, the ELS is likely to stay in the background. **JHW** will be able to assist you in making application for the scheme when it is launched and we urge you to start thinking about it now. If you wish to discuss the scheme further, please call:

Angela Wood.
Direct Dial 01522 504306

NO ANSWERS YET *but there are solutions!*

There are still more questions than answers on Mid Term Review and the Single Payment, but this is no reason for an ostrich approach in the vain hope that all will be resolved by the simple publication of the DEFRA rules. Harvest is fast approaching and before we know it, your 10-month occupancy will, potentially, have started and you will already be entering into the new scheme.

Now is the time to address the fundamental issues to make sure that you do not prejudice your income from 2005 onwards.

- What is your Single Payment worth?
- How will this payment be split between land providers, previous occupiers and you?
- Should you buy land now?
- Can you let land in 2005?
- Should you rent land now?
- Should you enter into a contract farming arrangement with your 'tenant' or 'landlord'?
- Should all your land be registered?
- Can you claim on all your land?
- Should you seek a rent review or terminate your current tenancy?
- Can any land be let for growing potatoes or vegetables in 2005?

For practical advice on what you should be doing now and sensible solutions for 2005 onwards, contact:

Ellen Allwood

Direct Dial 01522 504320

FARM BUSINESS ADVICE SERVICE

Free Farm Business Advice available for another year, even to those who have had it before!.

The government's Farm Business Advice Service, (FBAS), which has been running for four years since 2000, has been extended for a further year to March 2005.

The service provides free business consultancy to help farmers plan the future development and improve the profitability of their businesses. This is particularly relevant at the moment, with all farm businesses needing to consider and react to the changes being brought about by the Fischler reforms of the CAP.

Further good news is that farmers who have already received the service may apply again, provided that there has been significant change affecting the business since the original FBAS was delivered, and that the applicant can demonstrate that the first FBAS report was acted on.

Neither of these conditions is particularly challenging!

Please telephone for further information regarding the service.

Henry Denchfield

Direct Dial 01522 504322

The Lincoln 10km Run

JHW's very own *Forest Gumps* donned their comfy shoes and "Purple Ronnie" JHW T-shirts for the Lincoln 10k run. Amazingly, all but one finished, (and we won't embarrass her further by mentioning her name, but it begins with K!). Kiki Buchanan, the team organiser said, "All the team did really well, and as everyone passed me, they said they would kill me at the end, for making them do it!"



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